



DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 210514-0106]

RIN 0694-AI49

Addition of Entities, Revision of Entries, and Removal of Entity from the Entity List; and Revision of Entry and Removal of Entity from the Military End-User List (MEU)

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: In this rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) by adding eight entities to the Entity List. These eight entities have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These entities will be listed on the Entity List under the destinations of Pakistan and the United Arab Emirates (UAE). This rule also revises two existing entries and corrects one existing entry on the Entity List under the destination of China and removes one entity from and revises one existing entry on the Military

End-User (MEU) List under the destination of China. Lastly, this rule removes one entity under the destination of Pakistan. The removals from the Entity List and MEU List are made in connection with requests for removal that BIS received pursuant to the EAR and a review of information provided in those requests.

DATES: This rule is effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Fax: (202) 482-3911, E-mail: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Entity List (supplement no. 4 to part 744 of the EAR) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States. The EAR (15 CFR parts 730-774) impose additional license requirements on, and limit the availability of most license exceptions for, exports, reexports, and transfers (in-country) to listed entities. The license review policy for each listed entity is identified in the “License Review Policy” column on the Entity List, and the impact on the availability of license exceptions is described in the relevant *Federal Register* document adding entities to the Entity List. BIS places entities on the Entity List pursuant to part 744 (Control Policy: End-User and End-Use Based) and part 746 (Embargoes and Other Special Controls) of the EAR.

The MEU List (supplement no. 7 to part 744 of the EAR) identifies entities that have been determined by the End-User Review Committee (ERC) to be ‘military end users’ pursuant to § 744.21 of the EAR. That section imposes additional license requirements on, and limits the availability of most license exceptions for, exports, reexports, and transfers (in-country) to listed entities on the MEU List, as specified in supplement no. 7 to part 744 and § 744.21 of the EAR. Entities are listed on the MEU List under the destinations of Burma, China, Russia, or Venezuela. The license review policy for each listed entity is identified in the introductory text of supplement no. 7 to part 744 and in § 744.21(b) and (e) of the EAR. The MEU List includes introductory text, which specifies the scope of the license requirements, limitations on the use of EAR license exceptions, and the license review policy that applies to each listed entity. These requirements are also reflected in § 744.21 but, for ease of reference, these requirements are also included in the introductory text of the supplement.

The ERC, composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List and the MEU List. The ERC makes all decisions to add an entry to the Entity List and MEU List by majority vote and all decisions to remove or modify an entry by unanimous vote.

Entity List Decisions

A. Additions to the Entity List

Under § 744.11(b) (Criteria for revising the Entity List) of the EAR, entities for which there is reasonable cause to believe, based on specific and articulable facts, that the entities have been involved, are involved, or pose a significant risk of being or becoming involved in activities that are contrary to the national security or foreign policy interests of the United States, and those acting on behalf of such entities, may be added to the Entity List. Paragraphs (b)(1) through (5)

of § 744.11 provide an illustrative list of activities that could be considered contrary to the national security or foreign policy interests of the United States.

This rule implements the decision of the ERC to add eight entities to the Entity List. These eight entities will be listed on the Entity List under the destinations of Pakistan and the UAE. The ERC made the decision to add these eight entities described below under the standard set forth in § 744.11(b) of the EAR.

The ERC determined that the eight subject entities are engaging in or enabling activities contrary to U.S. national security and foreign policy interests, as follows:

The ECR determined that eight entities are involved in proliferation to unsafeguarded nuclear activities that are contrary to the national security and/or foreign policy of the United States. Six of these entities are located in Pakistan: Hassan Scientific Corporation; Mecatech (Private) Limited; Middle East Automation & Controls Services; Mirza and Co.; Techno-Commercial; and TELEC Electronics & Machinery (Pvt) Ltd. Two of these entities are located in UAE: Delta Engineering Concern FZE; and Future Trends International, FZE LLC.

Pursuant to § 744.11(b) of the EAR, the ERC determined that the conduct of the above-described eight entities raises sufficient concerns that prior review, via the imposition of a license requirement for exports, reexports, or transfers (in-country) of all items subject to the EAR involving these eight entities and the possible issuance of license denials or the possible imposition of license conditions on shipments to this entity, will enhance BIS's ability to prevent violations of the EAR or otherwise protect U.S. national security or foreign policy interests.

For the eight entities added to the Entity List in this final rule described under this section, Section A, *Additions to the Entity List*, BIS imposes a license requirement that applies to all items subject to the EAR. In addition, no license exceptions are available for exports, reexports, or transfers (in-country) to the person being added to the Entity List in this rule. BIS imposes a license review policy of a presumption of denial for these eight entities.

For the reasons described above, this final rule adds the following eight entities to the Entity List:

PAKISTAN

- Hassan Scientific Corporation;
- Mecatech (Private) Limited;
- Middle East Automation & Controls Services;
- Mirza and Co;
- Techno-Commercial; and
- TELEC Electronics & Machinery (Pvt) Ltd.

UAE

- Delta Engineering Concern FZE; and
- Future Trends International, FZE LLC.

B. Revisions to the Entity List

This final rule revises two existing entries, two under the destination China, as follows.

This rule implements a revision to one existing entry for “DJI,” first added to the Entity List under the destination of China on December 22, 2020 (85 FR 83420, December 22, 2020). The ERC determined to modify the existing entry under China for DJI by revising the License Requirement column to exclude EAR99-designated technology for the operation, maintenance, or repair of unmanned aerial vehicles (UAV) released to DJI by the operator of the UAV.

This rule implements a revision to one existing entry for “Seajet Company Limited,” first added to the Entity List under the destination of China on September 4, 2018 (83 FR 44824, September 4, 2018). BIS is revising the existing entry under China by adding three aliases and

five addresses. The ERC determined to modify the existing entry for Seajet Company Limited under China by adding alternate business names as aliases and addresses.

C. Correction to the Entity List

This final rule implements a correction to one existing entry on the Entity List, one under China. The correction is under the destination of China for the entity China State Shipbuilding Corporation, Limited (CSSC) 750th Research Institute. This entity was added to the EAR on December 18, 2020 (85 FR 83416, December 22, 2020) (the “December 22 Final Rule”). While the amendatory instruction and the Background section of the December 22 Final Rule adding the entity used the correct name China State Shipbuilding Corporation, Limited (CSSC) 750th Test Center, the regulatory text of the December 22 Final Rule used the incorrect title China State Shipbuilding Corporation, Limited (CSSC) 750th Research Institute. While BIS had updated the preamble and the amendatory instruction of December 22 Final Rule to use Test Center instead of Research Center in the entity name, it inadvertently missed updating the correction in the regulatory text. Because the December 22 Final Rule used a slightly different name in the amendatory instruction compared to the regulatory text, the change was not incorporated as intended in the regulations. This final rule corrects the entity’s name to accurately state China State Shipbuilding Corporation, Limited (CSSC) 750th Test Center. This correction is made by adding the entry again with the corrected entity name.

D. Removals from the Entity List

This rule implements a decision of the ERC to remove IKAN Engineering Services, one entity located in Pakistan, from the Entity List on the basis of a removal request. The entry for IKAN Engineering Services was added to the Entity List on September 18, 2014 (79 FR 56003, September 18, 2014). The ERC decided to remove this one entity based on information BIS

received pursuant to § 744.16 of the EAR and the review the ERC conducted in accordance with procedures described in supplement no. 5 to part 744.

This final rule implements the decision to remove the following one entity, located in Pakistan, from the Entity List:

Pakistan

- IKAN Engineering Services.

ERC MEU List Decisions

Removals from the MEU List

This rule removes Molecular Devices Shanghai Corporation, an entity located in China, from the MEU List. The entry for Molecular Devices Shanghai Corporation was added to the MEU List on December 23, 2020 (85 FR 83799, December 23, 2020). The ERC determined to remove the entry for Molecular Devices Shanghai Corporation from the MEU List on the basis of a request for removal submitted to BIS pursuant to § 744.21(b)(2) of the EAR.

This final rule removes the following one entity, located in China, from the MEU List:

CHINA

- Molecular Devices Shanghai Corporation.

Revisions to the MEU List

This final rule revises one existing entry, under the destination China, as follows.

This rule implements a revision to one existing entry for Hutchison Optel Telecom Technology Co., Ltd., first added to the MEU List under the destination of China on December 23, 2020 (85 FR 83799, December 23, 2020). BIS is revising the existing entry under China by removing “Hutchinson” at the beginning of the entity’s name and adding “Chongqing” in its place. The entity’s name will read as Chongqing Optel Telecom Technology Co., Ltd. The ERC determined to modify the entry for Hutchison Optel Telecom Technology Co., Ltd. to change the name and address for this entry on the basis of a request for modification submitted to BIS pursuant to § 744.21(b)(1)(i) of the EAR. Because this modification changes the first name of the entity, the amendatory instructions below remove the existing entity with the current name and changes the entity name to the amended name. This final rule retains the original *Federal Register* citation and also includes the *Federal Register* citation from this final rule, so that the public is aware of when this existing entity was originally added and when it was modified on the MEU List.

Savings Clause

Shipments of items removed from eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export, reexport, or transfer (in-country), on [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER], pursuant to actual orders for export, reexport, or transfer (in-country) to or within a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export, reexport, or transfer (in-country) without a license (NLR).

Export Control Reform Act of 2018

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018

(ECRA) (50 U.S.C. 4801-4852). ECRA provides the legal basis for BIS's principal authorities and serves as the authority under which BIS issues this rule.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule has been designated to be not significant for purposes of Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to or be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under control number 0694-0088, Simplified Network Application Processing System, which includes, among other things, license applications, and carries a burden estimate of 29.6 minutes for a manual or electronic submission. Total burden hours associated with the PRA and OMB control number 0694-0088 are not expected to increase as a result of this rule.

3. This rule does not contain policies with federalism implications as that term is defined in Executive Order 13132.

4. Pursuant to section 1762 of ECRA (*see* 50 U.S.C. 4821), this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation, and delay in effective date.

5. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

List of Subjects in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730–774) is amended as follows:

PART 744—[AMENDED]

1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 50 U.S.C. 4801–4852; 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of September 18, 2020, 85 FR 59641 (September 22, 2020); Notice of November 12, 2020, 85 FR 72897 (November 13, 2020).

2. Supplement No. 4 to part 744 is amended:

a. Under CHINA, PEOPLE’S REPUBLIC OF:

i. By adding in alphabetical order an entry for “China State Shipbuilding Corporation, Limited (CSSC) 750th Test Center”; and

ii. By revising the entries for “DJI” and “Seajet Company Limited”;

b. Under PAKISTAN:

i. By adding in alphabetical order an entry for “Hassan Scientific Corporation”;

ii. By removing the entry for “IKAN Engineering Services”; and

iii. By adding in alphabetical order entries for “Mecatech (Private) Limited,” “Middle East Automation & Controls Services,” “Mirza and Co.,” “Techno-Commercial,” and “TELEC Electronics & Machinery (Pvt) Ltd.”; and

c. Under the UNITED ARAB EMIRATES, by adding in alphabetical order entries for “Delta Engineering Concern FZE” and “Future Trends International, FZE LLC”.

The additions and revisions read as follows:

Supplement No. 4 to Part 744 – Entity List

* * * * *

Country	Entity	License requirement	License review policy	Federal Register Citation

CHINA, PEOPLE’S REPUBLIC OF	*****			
	China State Shipbuilding Corporation, Limited (CSSC) 750th Test Center, a.k.a., the following two aliases: -China Shipbuilding Industry Group Co., Ltd. (CSIC) 750th Test Center; <i>and</i> -Kunming Marine Equipment Research and Test Center.	All items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	85 FR 83420, 12/22/20. 86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	No. 3, Renmin East Road, Panlong District, Kunming, Yunnan Province, China.			

	DJI, a.k.a., the following four aliases: -Shenzhen DJI Innovation Technology Co., Ltd.; -SZ DJI Technology Co., Ltd.; -Shenzhen DJI Sciences and Technologies Ltd.; <u>and</u> -Da-Jiang Innovations. 14 Floor, West Wing, Skyworth Semiconductor Design Building, No.18 Gaoxin South 4th Ave, Nanshan District, Shenzhen, China, 518057.	All items subject to the EAR. (See §744.11 of the EAR), except for EAR99-designated technology for the operation, maintenance, or repair of unmanned aerial vehicles (UAV) released to this entity by the operator of the UAV.	Case-by-case review for items necessary to detect, identify and treat infectious disease; Presumption of denial for all other items subject to the EAR.	85 FR 83420, 12/22/20. 86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Seajet Company Limited, a.k.a., the following three aliases: - Hisiang Logistics Company Limited; - Beijing Haixiang International Transport Agency Co., Ltd.; <u>and</u> - GDL Company Limited B-804 SOHO New Town, 88 Jianguo Road, Chaoyang District, Beijing, 100022, China; <u>and</u> Room 1002, LT Square, No. 500, Chengdu North Road, Shanghai, 200003, China; <u>and</u> Unit 1906-2, West Tower, Fortune Plaza, No. 114, Tiyu Dong Rd, Tianhe District, Guangzhou 510620, China; <u>and</u> No. 2, Juhe 6 Street, Jufuyuan, Business Development Tongzhou Di, Beijing, China; <u>and</u> Room 2, A316 Haidin 9 Road, Tianjin, Port Free Trade Zone, Tianjin, China; <u>and</u> 2-403 No.2 Jinsui Lu, Nanfaxin, Shunyi District, Beijing, China; <u>and</u> Room 2201-23, Building (1-5), No. 600 Hengfeng Road, Jing'an District, Shanghai, China, <u>and</u> 404 (8), Zongbao Zone Building, No. 1998, Innovation Avenue, Dongxihu District, Wuhan, China; <u>and</u> Zibian A25 3rd Floor, No. 98 Jianji Road, Haizhu District, Guangzhou, China; <u>and</u> B-807 SOHO New Town, 88 Jianguo Road, Chaoyang District, 100022 Beijing, China.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	83 FR 44824, 9/4/18. 86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

PAKISTAN	*****			
	Hassan Scientific Corporation, a.k.a., the following one alias: -Hasan Scientific Corporation. 50 Akbari Road, New Anarkali, Lahore, Pakistan.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Mecatech (Private) Limited, a.k.a., the following one alias: -Mecatech. 402, 4th Floor, Chena Centre, Plot #104-E, Jinnah Avenue, Blue Area, Islamabad, Pakistan.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Middle East Automation & Controls Services, a.k.a., the following one alias: -MACS; <u>and</u> -MEACS. 274-A, Canal View Housing Society, Lahore, Pakistan.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	Mirza and Co., a.k.a., the following one alias: -Mirza. Office #343 3rd floor, Landmark Plaza 5/6 Jail Road, Lahore, Pakistan.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Techno-Commercial, a.k.a., the following two aliases: -TCL; <u>and</u> -Techserve. 8-22-24 Farid Plaza, 65 Shadman, Lahore, Pakistan.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].
	TELEC Electronics & Machinery (Pvt) Ltd., a.k.a., the following one alias: -TELEC. 415 Mehboob Chambers, Abdullah Haroon Road, Saddar, Karachi, 74400; <u>and</u> No. 1363, Cornice Road, Phase 3, Bahria Town, Islamabad, Pakistan.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

UNITED ARAB EMIRATES	*****			
	Delta Engineering Concern FZE, a.k.a. the following one	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE

	alias: -DEC. SAIF Office, Q1-06-092/A, Sharjah, U.A.E.			NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Future Trends International, FZE LLC, a.k.a., the following one alias: -Future Trends. B-1101-15 Grand Tower Ajman, U.A.E.	All Items Subject to the EAR.	See §744.2(d) of the EAR.	86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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3. Supplement No. 7 to part 744 is amended under CHINA, PEOPLE’S REPUBLIC OF:

a. By adding in alphabetical order the entry for “Chongqing Optel Telecom Technology Co., Ltd.”; and

b. By removing the entries for “Hutchison Optel Telecom Technology Co., Ltd.” and “Molecular Devices Shanghai Corporation”.

The addition reads as follows:

Supplement No. 7 to Part 744 – ‘Military End-User’ (MEU) List

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Country	Entity	Federal Register Citation
* * * * *		
CHINA, PEOPLE’S	*****	

REPUBLIC OF	Chongqing Optel Telecom Technology Co., Ltd., No. 1, 6/F, Building 7, No. 106 West Section, Jinkai Avenue, Yubei District, Chongqing, China.	85 FR 83799 12/23/2020. 86 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Matthew S. Borman,

Deputy Assistant Secretary for Export Administration.

[FR Doc. 2021-11304 Filed: 5/28/2021 8:45 am; Publication Date: 6/1/2021]